



Donald E. Goetz
President and C.E.O.

August 30, 2005

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FDIC San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Dear Director Carter:

I am writing to express strong opposition to the application pending for Wal-Mart's acquisition of a Utah ILC. Wal-Mart has always presented itself as the "white knight" of rural America, saving jobs and factories through the purchase of local products. The fact of the matter is Wal-Mart has created a blight in rural America, shutting down "Mom and Pop" shops that cannot compete with Wal-Mart's buying power.

Wal-Mart maintains that the acquisition of the Utah ILC will have a limited function, but as Wal-Mart has demonstrated in the past, their word is not worth much. Wal-Mart use to advertise "Always the Lowest Price". I would speculate it was done to create an image in the consumer's mind that they couldn't find a better price. Since Wal-Mart did not deliver on that promise, ("Always the Lowest Price") they were sued and now their motto has changed to "Always Low Prices".

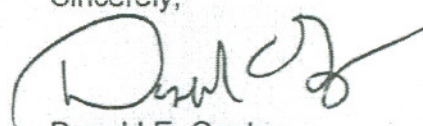
To further support my lack of trust in Wal-Mart, several years ago they had an advertising campaign which portrayed them as saving factory jobs in rural America. I wonder what happened to that campaign. How can those companies still be in business when Wal-Mart's shelves are now full of products made in China or other Asian countries?

Community banks are asked to compete with credit unions, large money center banks, to deal with the cost of regulation and compliance, and now will inevitably have to compete with Wal-Mart as the largest banking network in the United States. Wal-Mart will destroy the franchise value of community banks, and which in turn will lead to further consolidation of our industry. Left with fewer

choices, our commercial customers may have no option but to deal with Wal-Mart's financially while they are cutting their throat on the retail side.

DeMotte State Bank has been in business since 1917 and has paid our FDIC insurance assessments without fail. It was difficult to accept the banking role required in bailing out our competitors of the savings and loan industry. If Wal-Mart is allowed to acquire Utah ILC they would become our greatest competitor. If Wal-Mart should fail as a retailer, and thus their banking or financial services, is it fair that we then be asked again to bail out an even greater competitor?

Sincerely,

A handwritten signature in dark ink, appearing to read "Donald E. Goetz", with a stylized flourish at the end.

Donald E. Goetz
President & CEO

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